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Heublein at 100



Great ideas are like great rivers. They start humbly, widen in their course, grow in volume, serve people and so endure. Heublein is an idea that started humbly, that broadened and grew, serves people and so endures. This year is the 100th anniversary of the Heublein idea.

DRIEST OF THE DRY. No mirage, but something very real, we present the smart Martini, the Vodka Martini: "The Martini with the Marvellous Taste." It's sheer perfection... the driest, smoothest, most pleasing Dry Martini of them all. The Recipe: Follow your usual procedure—make it any proportions you like—with one simple, but all-important difference: Use Smirnoff Vodka instead of gin.

it leaves you breathless...

Smirnoff
THE GREATEST TASTE VODKA

80 Proof. Distilled from grain. Ste. Pierre Smirnoff & Co. (Division of Heublein), Hartford, Conn., U.S.A., France, England, Mexico

Advertising that dares to be different has always characterized Heublein's marketing style. In the mid-1950s this Smirnoff ad was photographed in the African desert to depict the dryness of a Smirnoff martini. A radical departure from advertising of its time, the desert ad typifies Heublein's search for marketing innovations. The brunch ad at right is one of a series that anticipated the lifestyle changes of the late 1960s.

It was 1875. Ulysses S. Grant was the embattled President of the United States. The wounds of the country's Civil War were only beginning to heal.

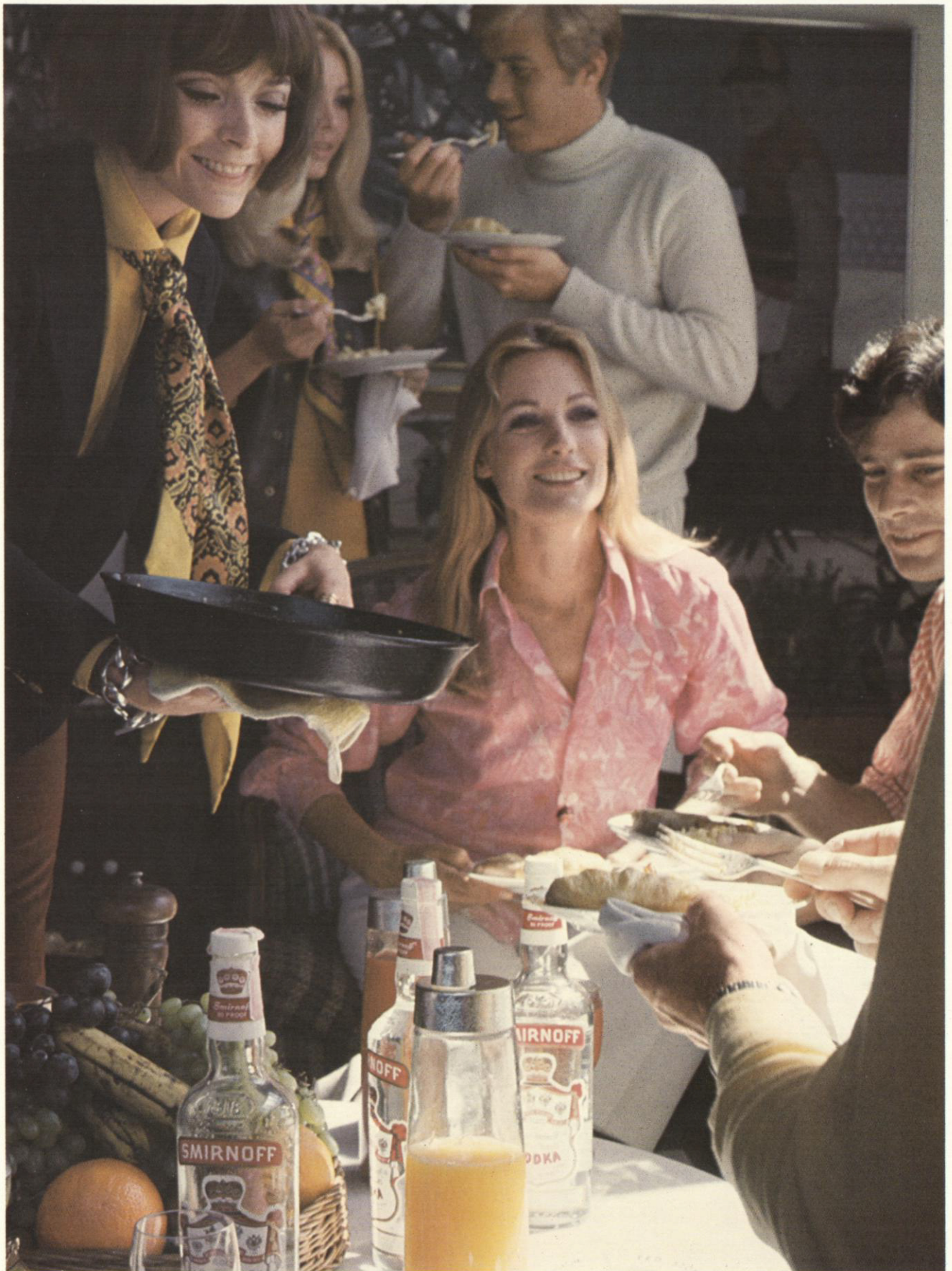
In Russia good-natured Czar Alexander II reigned. In Moscow, on the banks of the Moscow River near the memorable Cast Iron Bridge, the House of Smirnoff produced a vodka that was the world's best-selling drink. It's said that a million bottles a day were sold in Russia alone. The Czar would allow no other brand at his table. Four times Smirnoff won the Russian Imperial Eagle of approval for use on its label, the same as that embossed on its bottle today.

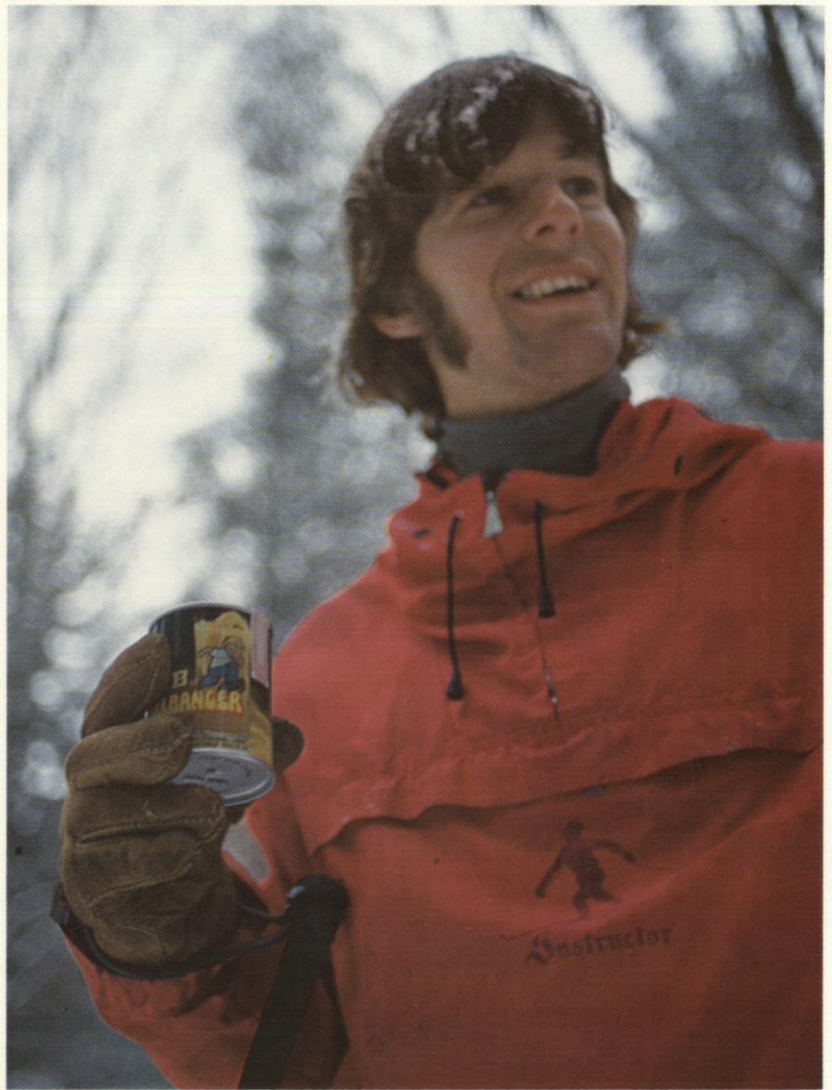
That year, on a small side street in Hartford, Connecticut, brothers Gilbert and Louis Heublein started a modest business with an idea that would one day incorporate Smirnoff and make it the world's best-selling alcoholic beverage.

Simple as it sounds, their idea was to bring to more people the pleasures of unusual foods and drinks through the emerging wonders of packaging and promotion. They saw in their father's restaurant how Americans with pleasure and increasing number took to the old world elegance and European tastes in food and drinks and they concluded that they could package and promote these for a broader use at home.

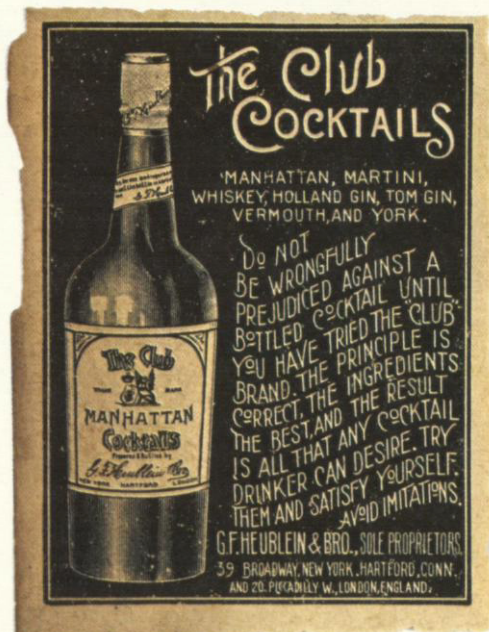
An idea, destined for bigger things, started on its way first with Heublein bottled cocktails, then Milshire Gin and A.1. Sauce, followed by a parade of notable imported brands of wines, liquors and foods that came from all over the world and would go all over the world.

Like a river's tide, the moving force of Heublein's idea was marketing. Call it genius, call it luck, the line of distinction is always diffuse, but the timing was correct. America was ready for the Heublein brothers' idea. The world was on the brink of great change and Heublein would serve it well in the coming years.





The Club Cocktails, introduced by Heublein in 1892, broke new ground for mixed drinks, and were the mainstay of the business for several decades. Today, full-strength bottled Heublein Cocktails and The Club Cocktails in convenient go-anywhere cans continue to be the leading products of their type.



Heublein's prepared cocktails are very contemporary and have been since 1892.

They started from sheer serendipity.

The Connecticut Governor's Foot Guards planned an outing. They ordered a gallon of martinis and a gallon of manhattans from Hartford's finest purveyor, G. F. Heublein & Bro. Reluctantly the order was filled because of concern over mixing such a large batch in advance. What would happen to the flavor?

It rained the scheduled day of the picnic and the two gallons were set aside for the following Saturday.

Again it rained and again the party was called off. The cocktails were forgotten until some time later when they were discovered in storage. They were ordered thrown out but a curious helper took a taste and dutifully reported that the cocktails were better than before.

Why not bottle them for the carriage trade that stopped at the Heublein store? They were, they sold, in ever-increasing numbers, and became the mainstay of the business at the turn of the century.

The Heublein brothers backed the bottled cocktails with bemusing advertising even for that day. Think back to the Gay Nineties and you'll recognize the daring. . . .

A young woman writing a letter to a friend in one of the advertisements says, "The most delectable cocktail ever made on earth."

Or a fashionable matron alighting from her carriage and saying to her butler: "Before you do another thing, James, bring me a HEUBLEIN COCKTAIL. I'm so tired of shopping. Make it a martini."

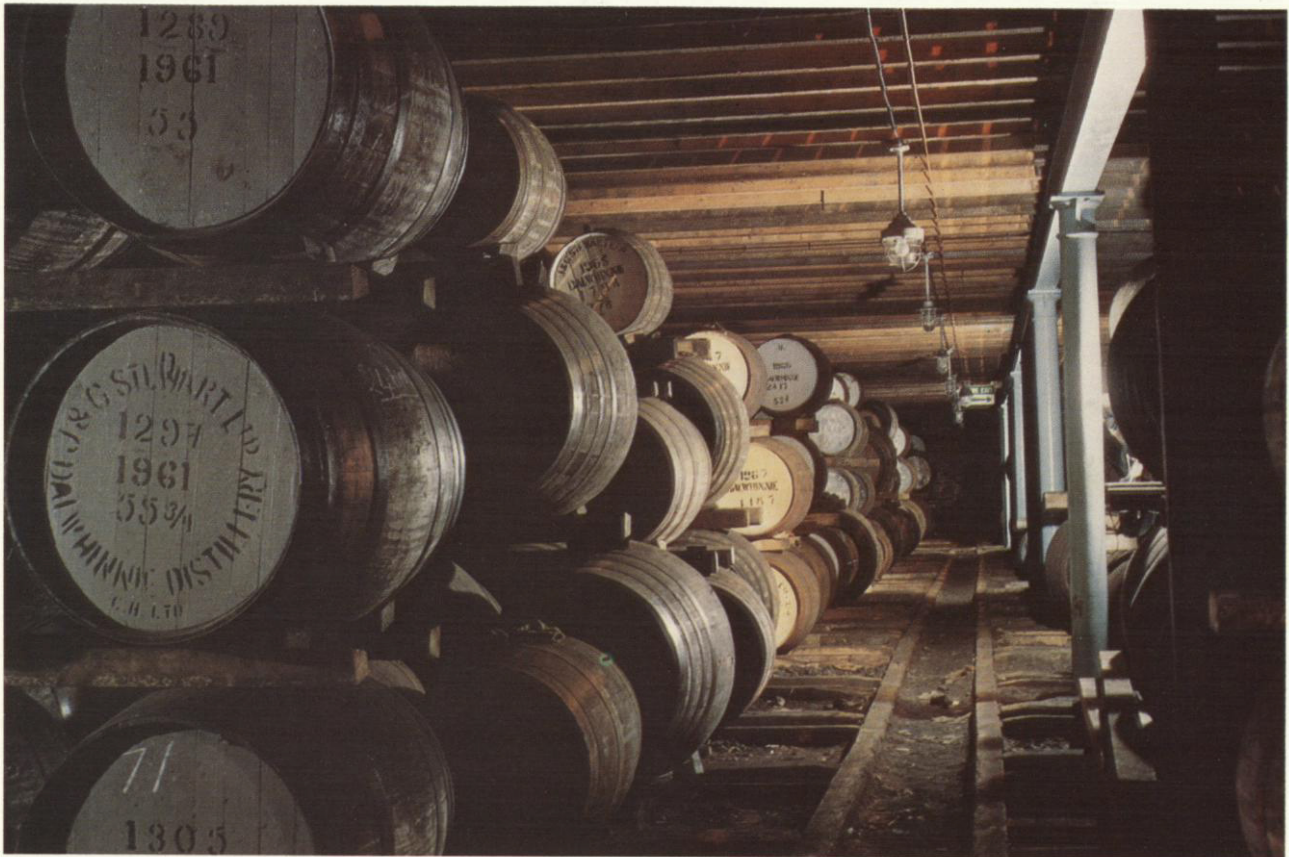
Today, as then, Heublein's Prepared Cocktails are contemporary with changing lifestyle. New drinks like "The Brass Monkey" and "The Tequila Sunrise" are made from secret formulae and the advertising is just as adventurous.

The drinks, the advertising, and the packaging may change but the basic appeal remains: A cocktail, already prepared by a master mixer, is poured from bottle or can and every drink is as delicious as the one before.

With this idea Heublein has dominated the prepared cocktail.



Importing fine-tasting foods and beverages has been an important part of Heublein's business from the start. Today the company is a leading importer of spirits and wines from throughout the world, with a product list that includes many of the country's most popular imported brands.





Into the rubble of the Russian Revolution the House of Smirnov came crashing down. Vladimir Smirnov fled to Paris with his belongings and the treasured formula for Smirnov Vodka. There he set up a business that met with little success.

By 1933, following repeal of Prohibition in the United States, Vladimir had sold the U.S. rights to Smirnov to a family friend, Rudolph Kunett. But Kunett had difficulty finding customers for vodka in America and by 1939 was looking to sell the business. John G. Martin, grandson of the founding father and then Heublein's president, bought Smirnov for \$14,000 and a small royalty to be paid over 10 years to the original stockholders, plus a job at Heublein for Kunett.

Who but a few Russians in this country drank vodka? asked the scoffers, who called the purchase "Martin's folly."

Slowly at first but steadily, Smirnov advertising and promotion beat out a new sound about lightness, whiteness and versatility to a world ready for change. Opportunity would come Heublein's way once more on the winds of change.

Chance, as it often does, played a part at this point in the Smirnov story. When Martin acquired the company some 2,000 cases of Smirnov were bottled to carry through the transition while machinery and records were shifted to Hartford. But the original company ran out of vodka corks and substituted others imprinted with the words, "Smirnov Whisky," remnants of an unsuccessful venture into the whisky business.

When samples were sent to wholesalers, a salesman in South Carolina noticed the cork, the fact that Smirnov was colorless and the absence of the traditional brown whisky taste.

"Smirnov White Whisky. No Taste. No Smell" was the streamer he had printed for some of the local liquor shops. Customer response was immediate. The first order sold out and so did repeat orders. But the streamer was the message that made Heublein take note. The idea it expressed would serve in Smirnov advertising from that day to this.

Post-World War II America was ready for change. New families were forming in greater numbers. They were buying homes and entertaining more at home. In a world seeking a light, simple, versatile lifestyle, Smirnov became the popular drink. It produced the Moscow Mule and Bloody Mary and a host of other casual drinks that were refreshingly light in alcohol. Women could enjoy them, too, without having to overcome the taste of whisky.

Heublein was quick to observe the change. The meaning was clear. The light and flavorful revolution among drinks was on. Strange that Smirnov, the victim of one revolution, should start another.



Tava Liqueur by Smirnoff, Harveys Bristol Cream, Arrow Cordials and Flavored Brandies, Irish Mist Liqueur and Sicilian Gold dessert wine are among the many specialty beverages marketed by Heublein. Flavorful and versatile, these drinks are growing in popularity.







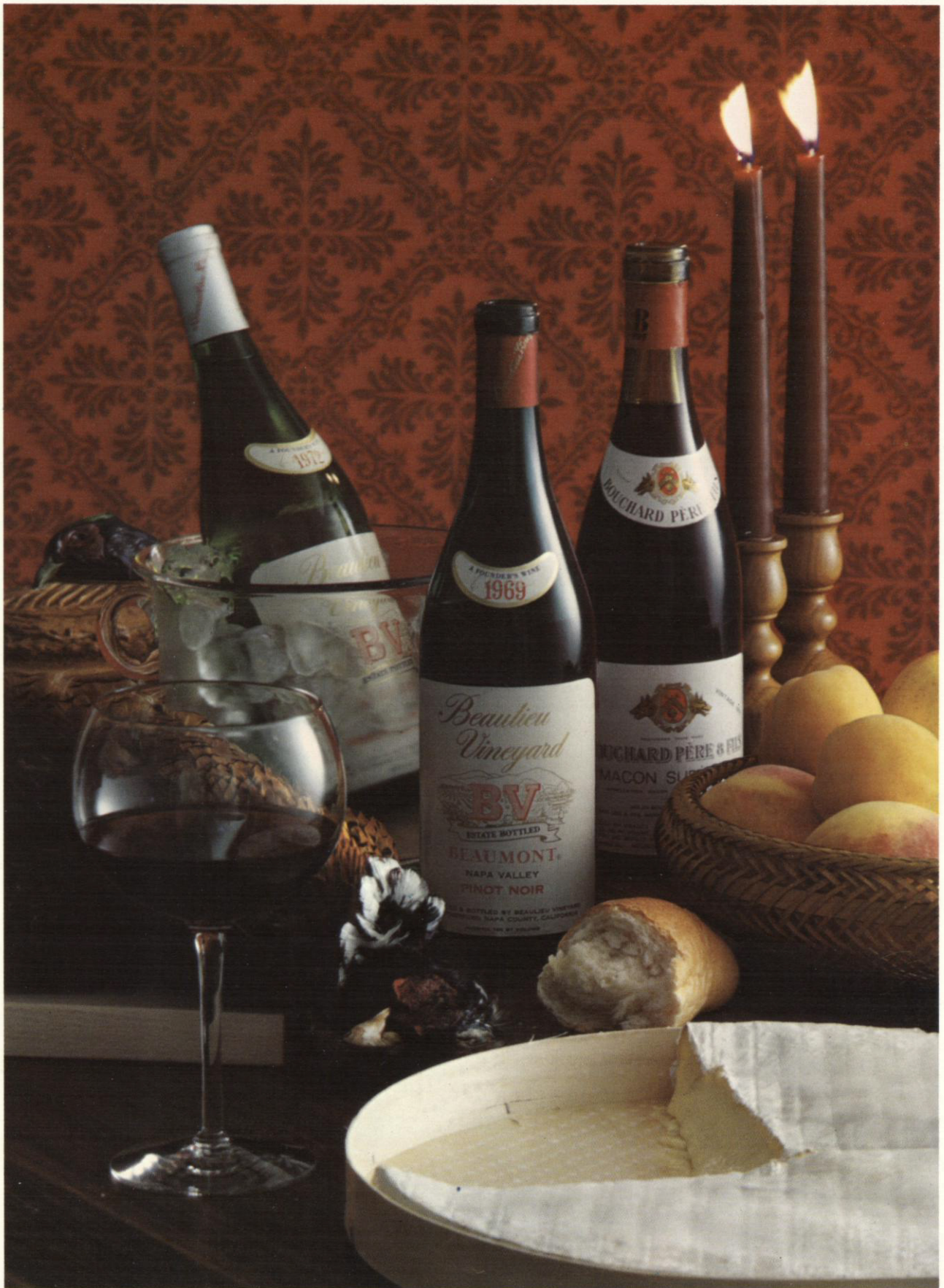


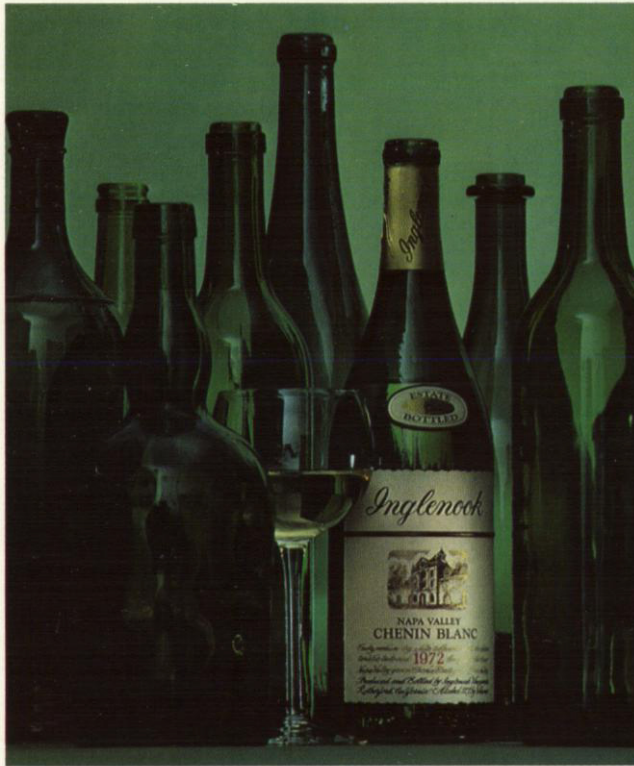
The estate-bottled wines of Beaulieu Vineyard and Inglenook Vineyards, produced from the choice grapes of California's Napa Valley, have repeatedly won international acclaim for their premium quality. Beaulieu wines are aged in wooden casks at the winery, left. Inglenook wines come from the picturesque winery, above, built in 1882 by Inglenook's founder, Capt. Gustave Niebaum.



"A meal without wine is like a day without sunshine," wrote the French gourmet Brillat-Savarin in 1825. Today, as more and more Americans join in that sentiment, consumer demand for wine is growing steadily. From its vineyards in California and from those of prominent producers in France, Italy, Germany and other wine-making regions of the world, Heublein is helping to meet that demand.







Brand-building is the essence of marketing. Take a food or drink product, formulate it to satisfy most consumers' taste, name it memorably, package it smartly, price it wisely, distribute it widely, and promote it with feeling so that it etches into the consciousness of consumers. That's marketing in today's lifestyle, as practiced by Heublein in the U.S. and abroad.

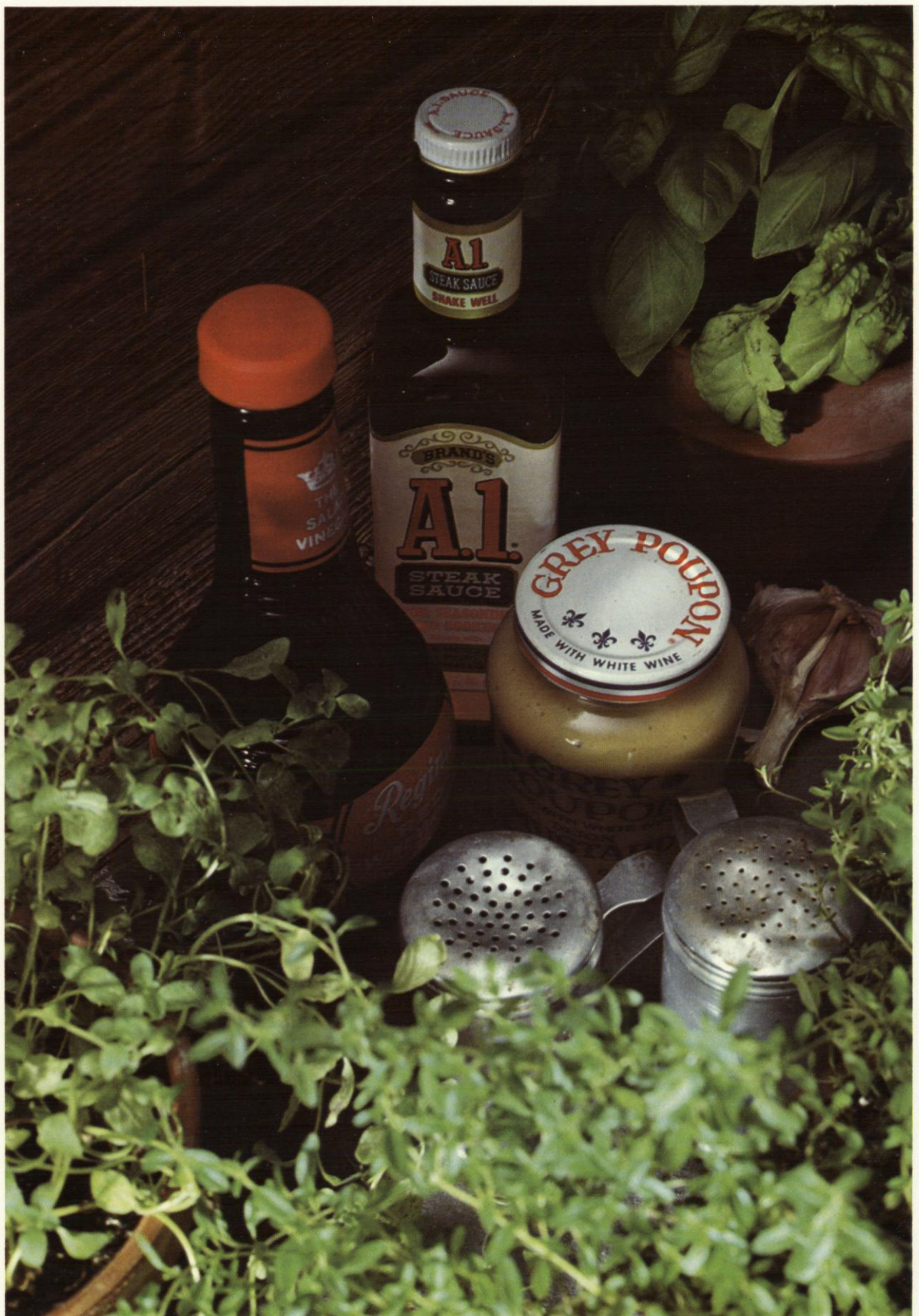
The Smirnoff performance is a paragon. But several other Heublein brands are coming on at a faster rate. Black Velvet Canadian Whisky, for one, introduced to the U.S. market in 1964, is now the nation's fastest growing major liquor brand.

And Jose Cuervo Tequila, once a regional Mexican drink, relatively unknown north of the border except for those few hardy souls who drank it bracero-style—a lick of salt, a suck on a lemon, followed by a quick gulp of tequila. Heublein acquired Jose Cuervo in 1966, made it a favorite for the Margarita and new drinks like the "Sunrise" and soon it took a favored position among young adults.

And so the Heublein brand-building drama, started 100 years ago, unfolds again and again with new products playing the leading roles, becoming great favorites with their own followings.







First imported from England by Heublein in 1906, A.1. Steak Sauce gained immediate popularity and has grown as a favorite with Americans ever since. During the era of Prohibition in the U.S., it was Heublein's leading product. Heublein now markets many other specialty food products, including Grey Poupon Dijon-style mustard, Regina Wine Vinegar and Ortega Chiles and Sauces.



Flavor and good taste were once provinces of Kings.

In today's wide world they're the daily supermarket choice of consumers in the millions.

King George IV of England once rhapsodized over a sauce created by his royal chef and exclaimed, "A.1!" The sauce and the name have remained A.1. ever since.

In their quest for zest and good taste in food and drinks to add to their expanding business, the Heublein Brothers introduced A.1. Sauce from England in 1906. When imports were shut off by the German shipping blockade of World War I production of A.1. began in the U.S.

Even then, as now, Heublein poured great sums of its gross sales dollar back into advertising and the brand prospered and grew. In 1936 Heublein purchased the U.S. rights to A.1. for \$306,000. It suited the flavor to the milder American taste, broadened its distribution and with the better product made a better profit. A.1. has dominated its field ever since.

For every success there were many failures. Projection of the A.1. brand to a family of foods like mustard and other sauces foundered in its first footsteps. Torex, a beef broth extract expired in the trials.

In the search to duplicate the A.1. success other brands and products played minor passing roles—imported pâtés and truffles, vinegar and olives, soups, cocktail foods, chutney and curry, preserves and breakfast foods.

But in the discriminate markets that Heublein serves many are culled, few are chosen.

Good food and drinks was a winning combination for Heublein in those early years and would prove to be the model for the emerging world enterprise.



"As American as Kentucky Fried Chicken" might well have been the popular saying if it weren't for apple pie. And if it weren't for all those other countries of the world where chicken is a favorite dish. More than almost any other meal, chicken is enjoyed worldwide—and KFC is making the most of this growing market.

Like most other Heublein products, it is the idea as well as the product that sells.

Quick-service foods are the fastest-growing segment of the purchased meals business. Meals prepared away from home fit the lifestyle of today's active people in all major markets of the world. And predictions are that the trend will accelerate.

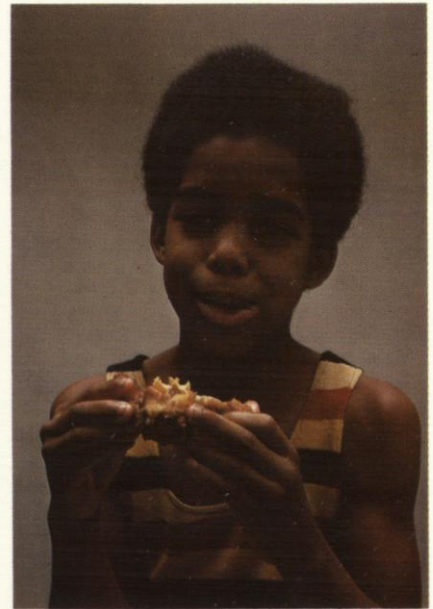
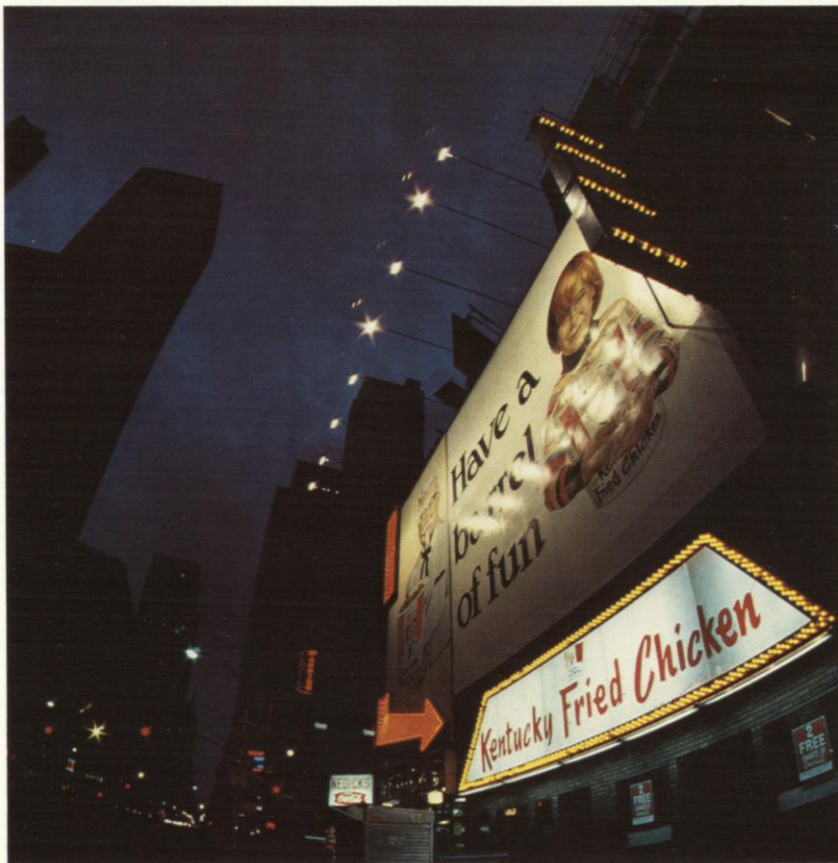
In the next 10 years new families will be forming in the United States at an accelerating rate, most of them young families headed by people under 35. Most of the wives will be working, earning more money, and the inevitable result is that more meals will be prepared outside the home—about one out of every two, according to predictions.

These symptoms of great change in living style are occurring all over the world that KFC serves with nearly a billion meals a year.

New stores are appearing almost one-a-day somewhere in the world. It was the 100th in Japan not long ago and the 250th in the United Kingdom.

Whether on the Ginza in Toyko or Main Street in Gadsden, Alabama, one can recognize the KFC store by its cheerful red and white facade, even though the size and the shape of the stores may differ. In Tokyo, for instance, where real estate is priceless, the kitchen is overhead and the meals go down on a dumbwaiter.

But what remains the same the world over is the distinctive KFC taste, which is just as finger-lickin' good in Australia as it is in America.



Few products have done as much to shape the American lifestyle as Kentucky Fried Chicken. Its creator, Col. Harlan Sanders, has become an authentic folk hero. There are now almost 4,000 KFC stores in the United States, in communities large and small. The KFC store on New York's Times Square, above left, leads all KFC stores in annual sales volume.





Kentucky Fried Chicken is at home almost everywhere in the world, including Tokyo and, on facing page, Brussels and Mexico City. Other Heublein food brands, such as Ortega Chiles and Sauces and Snap-E-Tom Tomato Cocktail, also are growing in popularity.

An old story tells of two salesmen who were sent to scout a backwoods region. One wired back:

"No market here. Nobody wears shoes."

The second wired back:

"Great opportunity here. Nobody owns shoes."

Heublein holds to the latter view, which led to its first Smirnoff venture overseas, early in the 1950s, when the brand was licensed to be produced and sold in the United Kingdom.

Since the first footstep in licensing, Heublein's international business has grown by giant steps to an enterprise in five continents and more than 100 countries. With Smirnoff licensees and KFC stores in more than 30 countries, and joint partnerships in Japan, Portugal, England, and Mexico, Heublein brands of food and drinks are consumed in all the world's major markets.

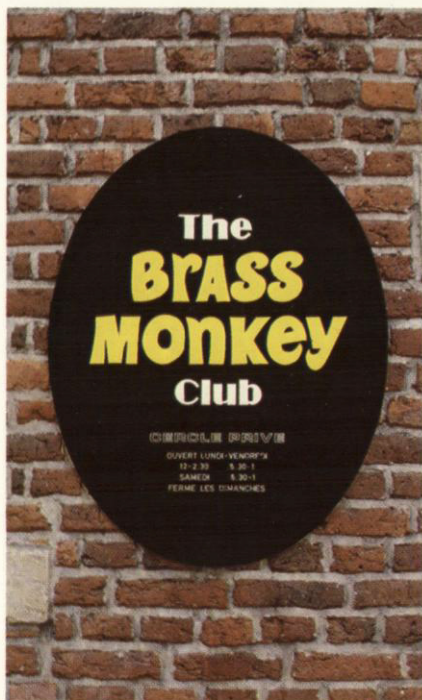
Add to this the fact of being the United States' largest premium wine importer, thanks to big volume brands such as Lancers and Harveys Bristol Cream, and Heublein's view of its opportunities is truly global.

From that Hartford store-front business that started in 1875 by importing branded consumer products, Heublein has grown greatly by becoming both an importer and an exporter. Its overseas sales are now greater than those of the whole-company a decade ago. And its international business is growing at a faster rate than the record pace set in the U.S.

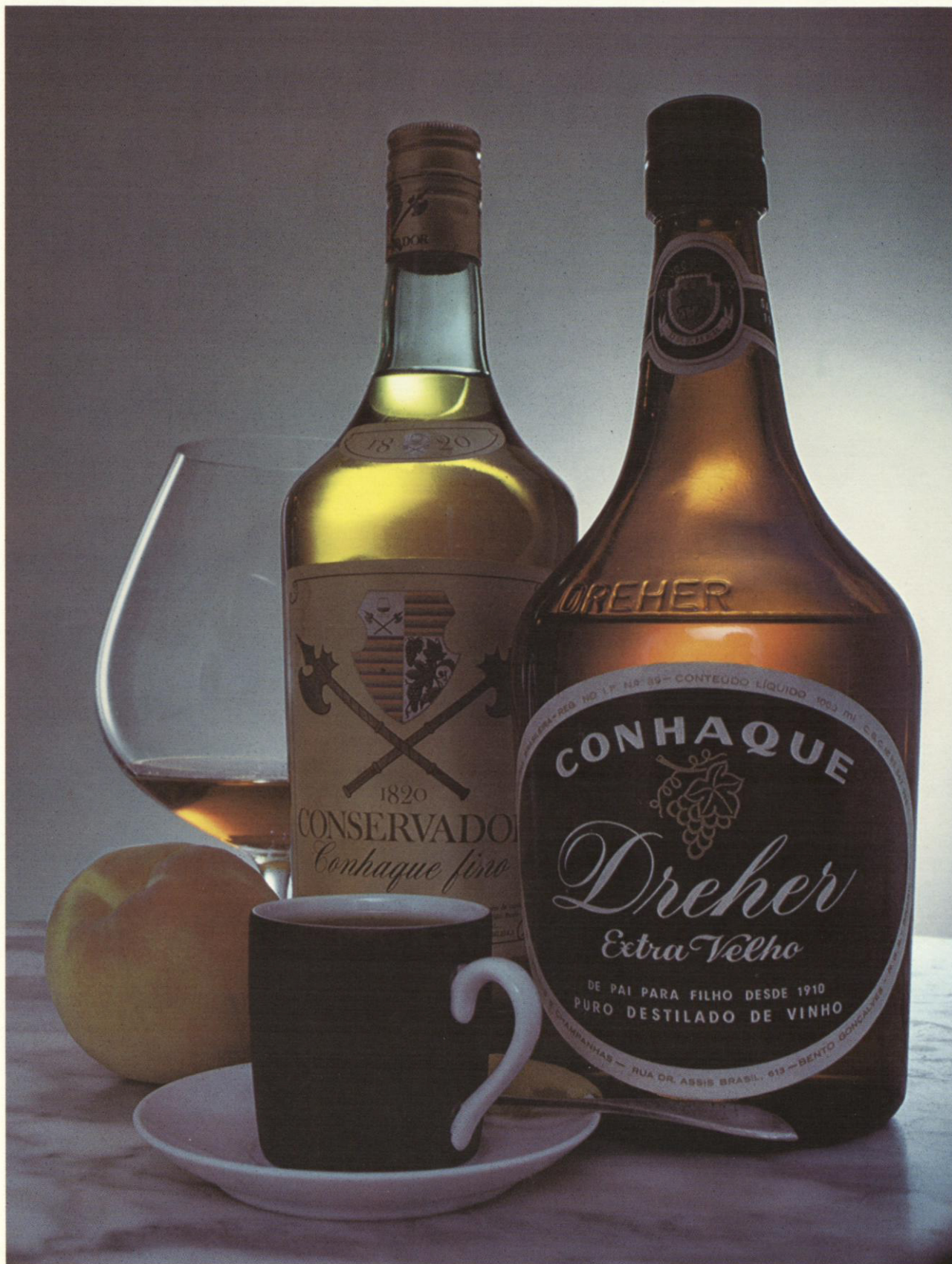


In traditional English pubs and the smart cafes of Brussels, Smirnoff is part of the scene. Just as in the U.S., vodka is booming overseas, and Smirnoff is the leading brand by far.





Whether it's punting on the Thames or a drink at the popular Brass Monkey Club in Brussels, versatile Smirnoff satisfies growing numbers of consumers in Europe.



Heublein has a strong position in Brazil's fast-growing alcoholic beverages market, and two of the favorite brands are Dreher Cognac and Conservador Brandy. Heublein markets a broad line of spirits and wines in Brazil.

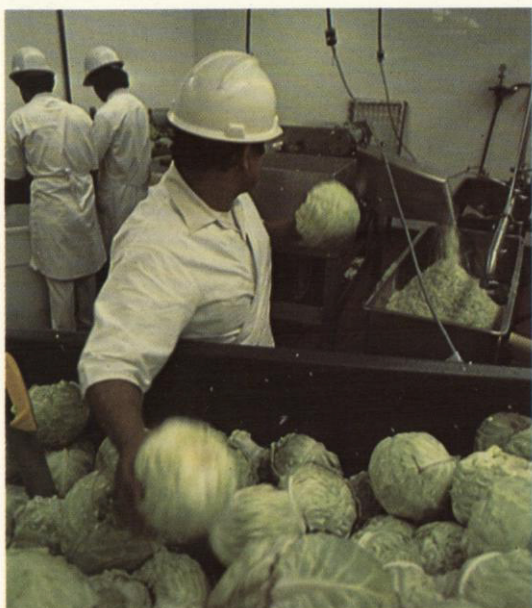


The Heublein idea could never have been fulfilled without successive generations of capable people whose inspiration, imagination and dedication fueled a philosophy and a business that otherwise could have flickered out.

From the start Heublein attracted a select few to whom it entrusted responsibility for running some phase of its business. Through their efforts Heublein has grown from its modest beginnings in 1875 to today's multi-product, billion-dollar international company, far surpassing the dreams of its founders.

We begin the next 100 years fully confident that the accomplishments of Heublein's second century will likewise transcend today's fondest hopes and plans.







*Faces of Heublein people at work around the world
reflect the spirit and excitement of a growing
business enterprise.*



Milestones in Heublein History

- 1875 – Partnership of G.F. Heublein & Bro. established in Hartford, as importers and distributors of fine foods and beverages.
- 1892 – “The Club Cocktails,” world’s first bottled cocktails, are introduced.
- 1899 – G.F. Heublein & Bro. is incorporated by special act of the General Assembly of the State of Connecticut.
- 1901 – The firm moves to a new and larger building, and the first run of Milshire Gin is completed from the Heublein pot stills.
- 1906 – Heublein becomes U.S. agent for A.I. Sauce, created by Brand, Master Chef in the palace of King George IV of England.
- 1914 – Branch offices are opened in New York, London and Frankfurt.
- 1918 – Manufacturing rights to A.I. Sauce are acquired and production begins in Hartford.
- 1920 – The Eighteenth Amendment becomes effective. During Prohibition, Heublein concentrates on expanding distribution of A.I. Sauce.
- 1933 – The Eighteenth Amendment is repealed. Heublein re-enters the beverage business with Milshire Gin and The Club Cocktails as its leading products.
- 1939 – Heublein obtains U.S. production and marketing rights to Smirnoff Vodka.
- 1946 – Company becomes agent for Grey Poupon Mustard from France.
- 1955 – Corporate name is changed to Heublein, Inc. Annual sales of Smirnoff exceed a million cases for the first time.
- 1957 – Heublein’s first beverage plant outside Connecticut is built at Menlo Park, California. Company becomes U.S. agent for Harvey’s Sherries and Ports.
- 1959 – First public offering of Heublein stock is made.
- 1962 – Heublein is listed on the New York Stock Exchange.
- 1963 – Stockholders reside in all 50 states, the District of Columbia, Canada and 14 other countries.
- 1964 – Arrow Liqueurs Company is acquired.
- 1965 – International Vintage Wines, importers of Lancers Rose, is acquired.
- 1966 – Coastal Valley Canning Company, producer of Ortega Chiles and Sauces and Snap-E-Tom Tomato Cocktail, is acquired.
- 1968 – Joint venture is begun with J. M. daFonseca to construct new Lancers winery in Portugal. Heublein makes commitment to build major market in U.S. for Black Velvet.
- 1969 – Heublein enters the California wine business, as United Vintners, Inc. and Beaulieu Vineyard are acquired.
- 1971 – Kentucky Fried Chicken Corporation is acquired.
- 1973 – The Drury-Fasano Group, Brazil’s leading liquor producer, is acquired. The new corporate headquarters building in Farmington is completed. Theo. Hamm Co. is sold.
- 1974 – Heublein’s food and beverage products, led by Kentucky Fried Chicken and Smirnoff Vodka, are marketed in more than 100 countries.

*“I like the dreams of the future
better than the history of the past.”*

Thomas Jefferson

